



RAILROAD COMMISSION OF TEXAS

P-5 FILINGS AND FINANCIAL SECURITY REQUIREMENTS

PRESENTER: JENNIFER GILMORE

TOPICS



- **P-5 Organization Report Forms
(Revised September 2011)**
- **Financial Security Requirements**
- **P-5 Filing Fees and Surcharge**
- **Auto P-4s**

P-5 ORGANIZATION REPORT



Who is required to file an organization report?

- **Oil & Gas & Pipeline Operators:**
 - **Natural Resources Code, Sec. 91.142**
 - **Oil & Gas Statewide Rules 1 & 78**
- **Master Meter & Distribution Systems (Safety Division):**
 - **Utilities Code, Sec. 121.201**
 - **Pipeline Safety Rule 51/Oil & Gas Rules 1 & 78**

SUPPLEMENTAL FORMS



- **Form P-50**
- **Form P-5A**
- **Forms P-5PB(1), P-5PB(2), P-5LC**

ORGANIZATION REPORT

FORM P-5

(Rev. 09/2011)



3. ORGANIZATION	1. Purpose of Filing		<input type="checkbox"/> New Filing	<input type="checkbox"/> Annual Refiling	2. RRC Operator No. (if assigned)		
			<input type="checkbox"/> Change of Officers/Resident Agent	<input type="checkbox"/> Address Correction			
	Name of entity: (If the name of the organization has changed, see Instructions on back)						
Mailing Address:			Street Address:				
Organization Phone Number:			Emergency (after hours) Phone Number:				
5. TEXAS RESIDENT AGENT	4. Plan of Organization (select one)		<input type="checkbox"/> A. Corporation	<input type="checkbox"/> B. Limited Partnership	<input type="checkbox"/> C. Sole Proprietorship	<input type="checkbox"/> D. Partnership	<input type="checkbox"/> E. Trust
			<input type="checkbox"/> F. Joint Venture	<input type="checkbox"/> G. Estate	<input type="checkbox"/> H. Ltd Liability Co. (LLC)	<input type="checkbox"/> I. Other (specify):	
	Name of Texas Resident Agent:						
Street Address			Mailing Address				
A Texas Resident Agent is required for any foreign or nonresident organization pursuant to Statewide Rule 1(a)(4)(D).							
6. Attachments:							
P-50 - Officer Listings: Information for each controlling entity of the organization as required by Statewide Rule 1(a)(4)(C).							
P-5A - Agent Listings: (optional) - Designation of non-employee agents authorized to sign certain Forms P-4 and P-5 pursuant to Statewide Rule 1(a)(4)(E).							
Filing Fee: Required for all "New Filing" and "Annual Refiling" submissions. See instructions on back.							
Financial Assurance: If the operator is required to maintain financial assurance, the Organization Report will not be approved until it is in place.							
7. Reorganization <input type="checkbox"/> Check here if this is a reorganization of an existing registrant.							
If checked, provide the current name and RRC P5 Number:							
8. Comments: (optional)							
Organization reports for operators of inactive wells: The Commission may not approve the P-5 Organization Report for an operator of one or more inactive wells unless the operator has complied with Commission rules and Texas statutes concerning the approval of plugging extensions for such inactive wells, including disconnection of electrical service and any required surface equipment removal.							
Organization reports for operators with outstanding enforcement orders/judgments: The Commission may not approve the P-5 Organization Report for an operator if that operator is the subject of a final and unappealable order related to a violation of a Commission rule, order, license, permit, or certificate relating to safety or the prevention or control of pollution. Organization Reports for organizations with officers who are subject to such outstanding orders through their involvement with other organizations similarly may not be approved.							
If the organization has used, or reported use of, a well for which the Certificate of Compliance has been canceled, the Commission may refuse to approve an Organization Report until the operator has paid any required reconnect fees and the Certificate of Compliance has been reissued for the well.							
An organization must file an amended Organization Report within 15 days after a change in any information required to be reported in the Organization Report.							
Signature _____ Filer's Name (Printed) _____ Email Address (OPTIONAL - SEE INSTRUCTIONS FOR IMPORTANT INFORMATION) _____					FOR RRC USE ONLY		
Title _____ () _____ Filer's Telephone Number _____ Date _____					Approved by _____		
Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.					Remarks _____		

Form P-5 (Organization Report)



RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

READ INSTRUCTIONS ON BACK

ORGANIZATION REPORT

FORM P-5

(Rev. 09/2011)

1. Purpose of Filing		<input type="checkbox"/> New Filing	<input type="checkbox"/> Annual Refiling	2. RRC Operator No. (if assigned)	
		<input type="checkbox"/> Change of Officers/Resident Agent	<input type="checkbox"/> Address Correction		
Name of entity: (If the name of the organization has changed, see Instructions on back)					
3. ORGANIZATION	Mailing Address:		Street Address:		
	Organization Phone Number:		Emergency (after hours) Phone Number:		
4. Plan of Organization (select one)		<input type="checkbox"/> A. Corporation	<input type="checkbox"/> B. Limited Partnership	<input type="checkbox"/> C. Sole Proprietorship	<input type="checkbox"/> D. Partnership
		<input type="checkbox"/> F. Joint Venture	<input type="checkbox"/> G. Estate	<input type="checkbox"/> H. Ltd Liability Co. (LLC)	<input type="checkbox"/> E. Trust
		<input type="checkbox"/> I. Other (specify):			
5. TEXAS RESIDENT AGENT	Name of Texas Resident Agent:				
	Street Address		Mailing Address		

A Texas Resident Agent is required for any foreign or nonresident organization pursuant to Statewide Rule 1(a)(4)(D).

6. Attachments: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 20%;">P-5O - Officer Listings:</div> <div>Information for each controlling entity of the organization as required by Statewide Rule 1(a)(4)(C).</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 20%;">P-5A - Agent Listings:</div> <div>(optional) - Designation of non-employee agents authorized to sign certain Forms P-4 and P-5 pursuant to Statewide Rule 1(a)(4)(E).</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 20%;">Filing Fee</div> <div>Required for all "New Filing" and "Annual Refiling" submissions. See instructions on back.</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 20%;">Financial Assurance</div> <div>If the operator is required to maintain financial assurance, the Organization Report will not be approved until it is in place.</div> </div>					
7. Reorganization	<input type="checkbox"/> Check here if this is a reorganization of an existing registrant. If checked, provide the current name and RRC P5 Number:				
8. Comments: (optional) 					
<p>Organization reports for operators of inactive wells: The Commission may not approve the P-5 Organization Report for an operator of one or more inactive wells unless the operator has complied with Commission rules and Texas statutes concerning the approval of plugging extensions for such inactive wells, including disconnection of electrical service and any required surface equipment removal.</p> <p>Organization reports for operators with outstanding enforcement orders/judgments: The Commission may not approve the P-5 Organization Report for an operator if that operator is the subject of a final and unappealable order related to a violation of a Commission rule, order, license, permit, or certificate relating to safety or the prevention or control of pollution. Organization Reports for organizations with officers who are subject to such outstanding orders through their involvement with other organizations similarly may not be approved.</p> <p>If the organization has used, or reported use of, a well for which the Certificate of Compliance has been canceled, the Commission may refuse to approve an Organization Report until the operator has paid any required reconnect fees and the Certificate of Compliance has been reissued for the well.</p> <p>An organization must file an amended Organization Report within 15 days after a change in any information required to be reported in the Organization Report.</p>					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; padding: 5px;">FOR RRC USE ONLY</td> </tr> <tr> <td style="width: 40%; padding: 5px; vertical-align: top;"> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Signature</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Title</div> </div> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Filer's Name (Printed)</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px; text-align: center;">()</div> <div style="font-size: small;">Filer's Telephone Number</div> </div> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 50%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Email Address (OPTIONAL - SEE INSTRUCTIONS FOR IMPORTANT INFORMATION)</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Date</div> </div> </div> <div style="font-size: x-small;"> Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge. </div> </td> <td style="width: 60%; padding: 5px; vertical-align: top;"> <div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="font-size: small;">Approved by</div> <div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="font-size: small;">Remarks</div> </td> </tr> </table>		FOR RRC USE ONLY		<div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Signature</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Title</div> </div> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Filer's Name (Printed)</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px; text-align: center;">()</div> <div style="font-size: small;">Filer's Telephone Number</div> </div> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 50%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Email Address (OPTIONAL - SEE INSTRUCTIONS FOR IMPORTANT INFORMATION)</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Date</div> </div> </div> <div style="font-size: x-small;"> Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge. </div>	<div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="font-size: small;">Approved by</div> <div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="font-size: small;">Remarks</div>
FOR RRC USE ONLY					
<div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Signature</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Title</div> </div> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Filer's Name (Printed)</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px; text-align: center;">()</div> <div style="font-size: small;">Filer's Telephone Number</div> </div> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div style="width: 50%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Email Address (OPTIONAL - SEE INSTRUCTIONS FOR IMPORTANT INFORMATION)</div> </div> <div style="width: 45%;"> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"></div> <div style="font-size: small;">Date</div> </div> </div> <div style="font-size: x-small;"> Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge. </div>	<div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="font-size: small;">Approved by</div> <div style="border-bottom: 1px solid black; margin-bottom: 10px; height: 20px;"></div> <div style="font-size: small;">Remarks</div>				

ORGANIZATION REPORT OFFICER LISTING

FORM P-50

(Rev. 06/2011)

(File as attachment to Form P-5 Organization Report)

Page ____ of ____



1. Current operator name exactly as shown on P-5 Organization Report		PURSUANT TO Oil & Gas Statewide Rule 1(a)(4)(C), information must be provided "for each officer, director, general partner, owner of more than 25% ownership interest, or trustee (hereinafter controlling entity) of the organization."	
2. RRC Operator No. (if assigned)			
Instructions: Attach as many sheets as are needed to identify all required officers. Full Legal Name: The entity's or individual's full legal name. Please do not use initials. ID Number: If the filing organization is a Sole Proprietorship (i.e., an individual), you must provide the owner's social security number. Otherwise, you may provide (at your choice) the officer's social security number, driver's license number, or Texas State Identification number. (Note: The Railroad Commission considers such ID numbers to be confidential information.) Addresses: You must provide an address for each officer that is different from the address for the organization UNLESS: 1) you have shown a Texas Resident Agent on your Organization Report, and that agent has an address different from that of the organization; or 2) the organization is being operated out of the officer's home. If an entity is identified as an officer on this form, you must also identify each officer of that entity.			
3. OFFICERS	Full Legal Name:		Title:
	Street Address: <input type="checkbox"/> Check here if operating out of this officer's home.		Mailing Address (if different from Street Address)
	<input type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN):		Number:
	Full Legal Name:		Title:
	Street Address: <input type="checkbox"/> Check here if operating out of this officer's home.		Mailing Address (if different from Street Address)
<input type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN):		Number:	
Full Legal Name:		Title:	
Street Address: <input type="checkbox"/> Check here if operating out of this officer's home.		Mailing Address (if different from Street Address)	
<input type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN):		Number:	
Full Legal Name:		Title:	
Street Address: <input type="checkbox"/> Check here if operating out of this officer's home.		Mailing Address (if different from Street Address)	
<input type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. State (if not SSN):		Number:	

Form P-50 (Officer Listing)



RAILROAD COMMISSION OF TEXAS Oil and Gas Division	ORGANIZATION REPORT OFFICER LISTING (File as attachment to Form P-5 Organization Report)	FORM P-50 <small>(Rev. 09/2011)</small> Page ____ of ____				
1. Current operator name exactly as shown on P-5 Organization Report <hr/> 2. RRC Operator No. (if assigned)		PURSUANT TO Oil & Gas Statewide Rule 1(a)(4)(C), information must be provided "for each officer, director, general partner, owner of more than 25% ownership interest, or trustee (hereinafter controlling entity) of the organization."				
<p>Instructions:</p> <p>Attach as many sheets as are needed to identify all required officers.</p> <p>Full Legal Name: The entity's or individual's full legal name. Please do not use initials.</p> <p>ID Number: If the filing organization is a Sole Proprietorship (i.e., an individual), you must provide the owner's social security number. Otherwise, you may provide (at your choice) the officer's social security number, driver's license number, or Texas State Identification number. (Note: The Railroad Commission considers such ID numbers to be confidential information.)</p> <p>Addresses: You must provide an address for each officer that is different from the address for the organization UNLESS: 1) you have shown a Texas Resident Agent on your Organization Report, and that agent has an address different from that of the organization; or 2) the organization is being operated out of the officer's home.</p> <p>If an entity is identified as an officer on this form, you must also identify each officer of that entity.</p>						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> Full Legal Name: <hr/> Street Address: <input type="checkbox"/> Check here if operating out of this officer's home. </td> <td style="width: 50%; vertical-align: top;"> Title: <hr/> Mailing Address (if different from Street Address) <hr/> </td> </tr> <tr> <td colspan="2" style="padding-top: 10px;"> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. </div> <div> State (if not SSN): _____ </div> <div> Number: _____ </div> </div> </td> </tr> </table>			Full Legal Name: <hr/> Street Address: <input type="checkbox"/> Check here if operating out of this officer's home.	Title: <hr/> Mailing Address (if different from Street Address) <hr/>	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. </div> <div> State (if not SSN): _____ </div> <div> Number: _____ </div> </div>	
Full Legal Name: <hr/> Street Address: <input type="checkbox"/> Check here if operating out of this officer's home.	Title: <hr/> Mailing Address (if different from Street Address) <hr/>					
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Driver's Lic. <input type="checkbox"/> State ID <input type="checkbox"/> Social Security No. </div> <div> State (if not SSN): _____ </div> <div> Number: _____ </div> </div>						

ORGANIZATION REPORT NON-EMPLOYEE AGENT LISTING

FORM P-5A

(Rev. 09/2011)



1. Current operator name exactly as shown on P-5 Organization Report	PURSUANT TO Oil & Gas Statewide Rule 1(a)(4)(E), the organization must provide the name of any non-employee agent that the organization authorizes to act for the organization in signing Oil and Gas Division certificates of compliance which initially designate the operator or change the designation of the operator. Organizations may designate non-employee agents to execute subsequent organization reports. That designation shall be authorized by the organization and not by a non-employee agent.
2. RRC Operator No. (if assigned)	

Instructions:

DO NOT USE THIS FORM TO DESIGNATE A TEXAS RESIDENT AGENT. (Your Texas Resident Agent is identified on Form P-5 to which this is attached.) This Form P-5A must ONLY be used if you have designated a non-employee agent with authority to sign operator-change Forms P-4 and/or P-5 renewals. If you have not designated any non-employee agents for that purpose, then you should not file Form P-5A.

THIS FORM MAY BE FILED AT ANY TIME. If a change in an organization's representation has occurred, a revised Non-Employee Agent Listing may be filed at any time to update the commission's records.

IF ANY NON-EMPLOYEE AGENTS LISTED ON THIS FORM ARE NOT CURRENTLY DESIGNATED ON YOUR ORGANIZATION REPORT RECORD, THEN THIS FORM P-5A MUST BE SIGNED BY A DULY AUTHORIZED COMPANY OFFICER OR EMPLOYEE. (If no changes have been made to the information on this form and it is being filed in connection with the annual renewal of the organization's P-5, then a previously designated non-employee agent listed below may sign it.)

EMAIL ADDRESS: YOU ARE NOT REQUIRED TO PROVIDE AN EMAIL ADDRESS when completing and filing this form. Please be aware that information provided to any governmental body may be subject to disclosure pursuant to the Texas Public Information Act or other applicable federal or state legislation. IF YOU PROVIDE AN EMAIL ADDRESS, YOU AFFIRMATIVELY CONSENT TO THE RELEASE OF THAT EMAIL ADDRESS TO THIRD PARTIES. Other departments within the Railroad Commission also may use the email address you provide to communicate with you.

3. DESIGNATED NON-EMPLOYEE AGENTS (authorized to file operator-change Forms P-4 and renewal Forms P-5)	Agent's Name	Street Address	Mailing Address (if different from Street Address)
	Agent's Name	Street Address	Mailing Address (if different from Street Address)
	Agent's Name	Street Address	Mailing Address (if different from Street Address)
	Agent's Name	Street Address	Mailing Address (if different from Street Address)

Signature _____ Title _____		FOR RRC USE ONLY	
()		Approved by _____	
Filer's Name (Printed) _____ Filer's Telephone Number _____		Remarks _____	
Email Address (OPTIONAL - SEE INSTRUCTIONS FOR IMPORTANT INFORMATION) _____ Date _____			
Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.			

Form P-5A (Non-Employee Agent Listing)



RAILROAD COMMISSION OF TEXAS Oil and Gas Division		ORGANIZATION REPORT NON-EMPLOYEE AGENT LISTING		FORM P-5A (Rev. 09/2011)
1. Current operator name exactly as shown on P-5 Organization Report		PURSUANT TO Oil & Gas Statewide Rule 1(a)(4)(E), the organization must provide the name of any non-employee agent that the organization authorizes to act for the organization in signing Oil and Gas Division certificates of compliance which initially designate the operator or change the designation of the operator. Organizations may designate non-employee agents to execute subsequent organization reports. That designation shall be authorized by the organization and not by a non-employee agent.		
2. RRC Operator No. (if assigned)				
Instructions: DO NOT USE THIS FORM TO DESIGNATE A TEXAS RESIDENT AGENT. (Your Texas Resident Agent is identified on Form P-5 to which this is attached.) This Form P-5A must ONLY be used if you have designated a non-employee agent with authority to sign operator-change Forms P-4 and/or P-5 renewals. If you have not designated any non-employee agents for that purpose, then you should not file Form P-5A. THIS FORM MAY BE FILED AT ANY TIME. If a change in an organization's representation has occurred, a revised Non-Employee Agent Listing may be filed at any time to update the commission's records. IF ANY NON-EMPLOYEE AGENTS LISTED ON THIS FORM ARE NOT CURRENTLY DESIGNATED ON YOUR ORGANIZATION REPORT RECORD, THEN THIS FORM P-5A MUST BE SIGNED BY A DULY AUTHORIZED COMPANY OFFICER OR EMPLOYEE. (If no changes have been made to the information on this form and it is being filed in connection with the a previously designated non-employee agent listed below may sign it.) EMAIL ADDRESS: YOU ARE NOT REQUIRED TO and filing this form. Please be aware that information provided to any governmental body may be subject to disclosure pursuant to the Texas Public Information Act or other applicable federal or state legislation. IF YOU PROVIDE AN EMAIL ADDRESS, YOU AFFIRMATIVELY CONSENT TO THE RELEASE OF THAT EMAIL ADDRESS TO THIRD PARTIES. Other departments within the Railroad Commission also may use the email address you provide to communicate with you.				
Agent's Name: Actual Person name (not company name)				
Street Address:		Mailing Address (if different from Street Address):		

Form P-5A (Non-Employee Agent Listing)



3. DESIGNATED NON-EMPLOYEE AGENTS (authorized to file operator-change Forms P-5A)	Agent's Name: _____	
	Street Address: _____	Mailing Address (if different from Street Address) _____
	Agent's Name: _____	
	Street Address: _____	Mailing Address (if different from Street Address) _____
	Agent's Name: _____	
	Street Address: _____	Mailing Address (if different from Street Address) _____
	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Original signature by P-5 officer required</div>	
Signature _____ Title _____ () Filer's Name (Printed) _____ Filer's Telephone Number _____ Email Address (OPTIONAL - SEE INSTRUCTIONS FOR IMPORTANT INFORMATION) _____ Date _____		FOR RRC USE ONLY Approved by _____ Remarks _____
Certificate: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.		

Financial Security Requirements



Financial Security requirement options:

- **Option 1 - Individual**
- **Option 2 - Blanket**

Oil & Gas Non-Well Operators



You are exempt from filing financial security if your only operations are:

Master Meter / Gas Distribution Center

Purchaser

Directional Surveyor

Salt Water Hauler

Approved Well Plugger

Approved Cementer for Well Plugging

(Well plugging requires Approval by Field Ops)

Service company for well stimulation activities

\$25,000 if you have any other activities

Option 1



**Individual Performance Bond (Form P-5PB(1),
Letter of Credit (Form P-5LC), or a Cash
Deposit are accepted under this option**

- **Only available to well operators who have no activity other than wells**
- **Amount determined by multiplying the aggregate depth of all wells (active, inactive, injection, producer, etc.) at \$2.00 per foot.**

Option 2



Blanket Performance Bond (Form P-5PB(2)), Letter of Credit (Form P-5LC), or Cash Deposit

- Available to all operators
- Amount determined by the total number of wells (active, inactive, injection, producer, etc.)

1 to 10 wells	\$25,000
11 to 99 wells	\$50,000
100 wells or more	\$250,000

- For operators without wells who are required to file financial assurance, \$25,000 is your base requirement.



Bay and Offshore Wells

- **Statewide Rule §3.78 was amended 9-1-2004 to require additional financial security for operators of Bay and Offshore wells**
- **Calculated by Base amount + Entry Level amount + Non-Producing Amount**
- **Presumed Plugging Cost for Bay Well \$60,000.00 / Offshore Well \$100,000.00**

Bay & Offshore Wells



Example: Operator A has 15 wells, of which 8 are bay wells. 4 of these wells are non-producing.

Base:	\$50,000
Entry Level:	\$60,000
Non-Producing amount:	\$180,000
<hr/>	
Total:	\$290,000

Drilling Permits



- **Effective 12-19-05 Statewide Rule 78 was amended requiring financial security as a condition of the issuance of permit to drill, recomplete, or reenter a well.**
- **Financial Security Requirement: Option 1 or Option 2 are available**
- **Permits cannot be issued to operators without financial security in place.**

P-5LC (Letter of Credit)



<p>TO: RAILROAD COMMISSION OF TEXAS Attention: Oil & Gas Division Permitting Production, P-5 FINANCIAL ASSURANCE SECTION P.O. Box 12967 Austin, TX 78711-2967</p>	<p>IRREVOCABLE DOCUMENTARY BLANKET LETTER OF CREDIT</p>	<p>P-5LC REV. 1/2008</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------	----------------------------------------------

We hereby establish our Irrevocable Documentary Blanket Letter of Credit in favor of the Railroad Commission of Texas, Austin, Texas for the account of _____ (operator's name), for the aggregate amount of _____ Dollars (\$ _____) available by your drafts at sight on the bank when drawn in accordance with the terms and accompanied by the documents listed below:

A. This Blanket Letter of Credit is issued in connection with the filing of a P-5 Organization Report (P-5) with the Commission as required by §91.142, Texas Natural Resources Code (TNRC) in order to perform operations within the jurisdiction of the Railroad Commission of Texas, including but not limited to (1) operations listed in the Commission's P-5 Organization Report records (P-5 records) for the operator, and/or (2) wells listed on the Commission's Oil and Gas Promotion Schedules (Schedules), and any additional wells that may be obtained prior to the expiration of this Blanket Letter of Credit and earned on the Oil and Gas Promotion Schedules. Said P-5 records and Schedules are incorporated herein by reference as if fully set forth at length.

1. Organization Name, as only as shown on P-5 Organization Report.	2. P-5 Number, if assigned.	3. Total of operations with _____ wells
4. Other Commission-regulated operations. See below in schedule, Paragraph 7.		
(A) _____ (B) _____ (C) _____ (D) _____ (E) _____ (F) _____		
(G) _____ (H) _____ (I) _____ (J) _____ (K) _____ (L) _____		

B. The operator and the issuer of this Blanket Letter of Credit acknowledge and agree that, due to amendments to the Texas Natural Resources Code, amendments to Commission Rules, and/or changes to the operator's Commission-regulated operations, including without limitation the acquisition of additional wells, operator may be required during the effective term of this Blanket Letter of Credit to provide additional financial security beyond the face amount of this Blanket Letter of Credit before its P-5 Organization Report will be accepted and approved.

C. This Blanket Letter of Credit is specifically issued at the request of the operator as a guaranty that this fund will be available during the time that the operator is performing Commission-regulated operations. We are not a party to, nor bound by, the terms of any agreement between you and the operator out of which this Blanket Letter of Credit may arise.

D. Drafts drawn under this Blanket Letter of Credit must be accompanied by an affidavit from the Railroad Commission of Texas or an authorized representative, stating that:

- a well or other oil and gas operation or activity subject to this Letter of Credit is likely to pollute or is polluting any ground or surface water or is allowing uncontrolled escape of formation fluids from the strata in which they were originally located; or
- a well or other oil and gas operation or activity subject to this Letter of Credit is not being maintained in compliance with Commission rules or state law relating to plugging or the prevention or control of pollution; or
- a well or other oil and gas operation or activity subject to this Letter of Credit is not polluting any ground or surface water or allowing uncontrolled escape of formation fluids from the strata in which they were originally located, but the operator has failed to maintain current operator status as reflected on the Commission's P-5 records;

AND

- the draft is in the estimated cost of plugging each well (an amount otherwise impossible to determine as to the exact amount but which is estimated by multiplying the total depth by \$2.50 per foot), closing any other operation or activity or controlling, abating, or cleaning up pollution.

We will be entitled to rely upon the statements contained in the affidavit and will have no obligation to independently verify any statements contained therein.

(REV. 1/2008)

Each draft hereunder must be endorsed on the reverse side of this Blanket Letter of Credit and this Blanket Letter of Credit must be attached to the last draft when the credit has been exhausted. Drafts may be presented at the office of the bank no later than 2:00 p.m. (local time) on _____, 20____ (date must be 90 days after the operator's P-5 expiration date), and bear the clause "Drawn under the _____ (Bank name), Bank Letter of Credit No. _____, dated _____."

We hereby engage with the bona fide holders of this draft and/or documents presented under and in compliance with the terms of this Blanket Letter of Credit that such draft and/or documents will be duly honored upon presentation to us.

Our obligations hereunder shall not be subject to any claim or defense by reason of the invalidity, illegality, or unenforceability of any of the agreements upon which this Blanket Letter of Credit is based. This Documentary Blanket Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits" (2007 Revision) issued by the International Chamber of Commerce (Publication #600), when not in conflict with the express terms hereof or with the provisions of Article Five of the Texas Business and Commerce Code.

Bank Name _____
 By _____
 (Name) _____
 (Title) _____
 Tel. Area Code _____ Number _____

Address of Bank _____
 Account Number or Code _____
 Date made by year _____

P-5LC rev. 1/2008

P-5LC (front page)



TO: RAILROAD COMMISSION OF TEXAS
Attention: Oil & Gas Division
Permitting/Production, P-5 Financial Assurance Section
P.O. Box 12967
Austin, TX 78711-2967

P-5LC
rev. 1/2008

IRREVOCABLE DOCUMENTARY BLANKET LETTER OF CREDIT

We hereby establish our Irrevocable Documentary Blanket Letter of Credit in favor of the Railroad Commission of Texas, Austin, Texas for the account of _____ (operator's name), for the aggregate amount of _____ Dollars (\$ _____) available by your drafts at sight on the bank when drawn in accordance with the terms and accompanied by the documents listed below:

A. This Blanket Letter of Credit is issued in connection with the filing of a P-5 Organization Report (P-5) with the Commission as required by §91.142, Texas Natural Resources Code (TNRC) in order to perform operations within the jurisdiction of the Railroad Commission of Texas, including but not limited to (1) operations listed in the Commission's P-5 Organization Report records (P-5 records) for the operator, and/or (2) wells listed on the Commission's Oil and Gas Proration Schedules (Schedules), and any additional wells that may be obtained prior to the expiration of this Blanket Letter of Credit and carried on the Oil and Gas Proration Schedules. Said P-5 records and Schedules are incorporated herein by reference as if fully set forth at length.

1. Organization Name, exactly as shown on Form P-5 Organization Report.	2. P-5 Number, if assigned.	3. Total # of operator's wells:	Total aggregate depth of all wells:
4. Other Commission-regulated operations. See bond instruction sheet, Paragraph F. [Check appropriate operations; example: operating a pipeline= I] (A) ____ (B) ____ (C) ____ (D) ____ (E) ____ (F) ____ (G) ____ (H) ____ (I) ____ (J) ____ (K) ____ (L) ____		Other operations not included in (A)-(L).	

P-5LC (back page)



Effective date MUST be current date.

Each draft hereunder must be endorsed on the reverse side of this Blanket Letter of Credit, and this Blanket Letter of Credit shall be exhausted by the presentation of the last draft when the credit has been exhausted. Drafts may be presented at the office of this bank no later than 2:00 p.m. (local time) on _____, 20 ____ (date must be 90 days after the operator's P-5 expiration date), and bear the clause "Drawn under the _____ (Bank name), Bank Letter of Credit No. _____, dated _____."

We hereby engage with the bona fide holders of this draft and/or documents presented under and in compliance with the terms of this Blanket Letter of Credit that such draft and/or documents will be duly honored upon presentation to us.

Our obligations hereunder shall not be subject to any claim or defense by reason of the invalidity, illegality, or unenforceability of any of the agreements upon which this Blanket Letter of Credit is based. This Documentary Blanket Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits" (2007 Revision) fixed by the International Chamber of Commerce (Publication #600), when not in conflict with the express terms hereof or with the provisions of Article Five of the Texas Business and Commerce Code.

Bank Name: _____

By: _____

(Name): _____

(Title): _____ ()
Tel: Area Code Number

(seal)

ATTEST:

Address of Bank: _____

P-5PB1 and P5PB2 (Individual and Blanket Performance Bonds)



TO RAILROAD COMMISSION OF TEXAS Attention: Oil & Gas Division Permitting Production, P-5 Financial Assurance Section P.O. Box 12967 Austin, TX 78711-0967		Bond #
INDIVIDUAL PERFORMANCE BOND		P-5PB(1) REV. 6/2002

THE STATE OF TEXAS, COUNTY OF _____

WHEREAS, persons performing oil and gas operations within the jurisdiction of the Railroad Commission of Texas are required to execute and file with the Commission a bond covering those operations, pursuant to §§91.102 and §91.106 of the Texas Natural Resources Code;

WHEREAS, the Principal, as an operator of one or more wells, is also required to file an annual P-5 Organization Report (P-5) in order to operate wells and perform associated oil and gas activities;

WHEREAS, the Principal named below is the operator of wells listed on the Commission's Oil and Gas Production Schedule, and any additional wells that may be obtained prior to the expiration of this bond and carried on the Oil and Gas Production Schedule;

WHEREAS, the Principal's P-5 Organization Report and the Oil and Gas Production Schedule pertaining to the Principal are incorporated herein by reference as if fully set forth at length;

WHEREAS, the Principal desires to perform oil and gas operations and activities within the jurisdiction of the Commission, and which operations and activities must be carried on in full conformance with all state laws and Commission rules, including those laws and Commission rules, orders, and permits requiring operators to plug and abandon all wells and control, abate, and clean up pollution associated with an operator's oil and gas operations and activities;

WHEREAS, Principal acknowledges and agrees that, due to amendments to the Texas Natural Resources Code, amendments to Commission Rules, and/or changes to the Principal's Commission-regulated operations, including without limitation the acquisition of additional wells, it may be required during the effective term of this bond to provide additional financial security beyond the face amount of this bond before its P-5 Organization Report will be accepted and approved;

1. Operation Name, exactly as shown on Form P-5 Organization Report	2. P-5 Number (if required)
3. Name of all operators' wells	4. Effective Date of 24 Month Renewal Bond is being submitted (same Month & Day as the Well Bond Expiry)

We, _____ (Person's name) as Principal, and _____ as Surety, duly authorized and qualified to do business in the State of Texas, are held and firmly bound unto the State of Texas in the sum of _____ Dollars (\$ _____) payable at Austin, Travis County, Texas, and for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

This bond is conditioned that if the Principal will plug and abandon all wells and control, abate, and clean up pollution associated with its oil and gas operations and activities in accordance with state law and all permits, rules and orders of the Commission and is in full compliance with the following requirements, then the Principal and Surety are relieved of their obligation to pay the bond amount to the State:

- Inactive wells shall be maintained in compliance with Commission Statewide Rule 14 (a) by plugging the wells, (b) by restoring the wells to beneficial use, or (c) so as to prevent the pollution of any ground or surface water in the state or any uncontrolled escape of formation fluids from the strata in which they were originally located.
- All active wells shall be maintained so as to prevent the pollution of any ground or surface water in the state or any uncontrolled escape of formation fluids from the strata in which they were originally located.
- All oil and gas operations and activities shall be carried out so as to prevent pollution of any ground or surface water in the state.

In the event of a failure of Principal to comply with the conditions and obligations of this bond, the Surety shall promptly remedy such non-compliance, in accordance with the laws of the state and permits, rules, and orders of the Commission, within 60 days of notice of non-compliance.

- If any well or other oil and gas operation or activity subject to this bond is likely to pollute or is polluting any ground or surface water or allowing uncontrolled escape of formation fluids from the strata in which they were originally located, the Surety shall expend funds up to the face amount of the bond to control, abate and clean up pollution and to prevent further escape of formation fluids.
- If any well or other oil and gas operation or activity subject to this bond is not polluting any ground or surface water or allowing uncontrolled escape of formation fluids from the strata in which they were originally located, but the Principal has failed to maintain current operator status as reflected in the Commission's P-5 Organization Report records, the Surety shall:
 - Expend funds up to the face amount of the bond to properly plug the well or close any other abandoned operation or activity (Surety understands and agrees that plugging or closing operations must be completed once commenced without the expenditure of State Funds, including State Oil-Field Cleanup Funds); or
 - Pay liquidated damages. It is agreed by the parties that the actual damages which might be sustained by the Railroad Commission of Texas by reason of the failure to comply are uncertain and would be difficult of ascertainment and it is further agreed that the sum of \$2.50 per foot multiplied by the total depth of each non-compliant well, up to the face amount of the bond, would be reasonable and just compensation for such failure to comply, and Surety hereby promises to pay and the Railroad Commission of Texas agrees to accept, at its office in Austin, Travis County, Texas such sum as liquidated damages, and not as a penalty, in the event of such failure to comply.

(over)

TO RAILROAD COMMISSION OF TEXAS Attention: Oil & Gas Division Permitting Production, P-5 Financial Assurance Section P.O. Box 12967 Austin, TX 78711-0967		Bond #
BLANKET PERFORMANCE BOND		P-5PB(2) REV. 6/2002

THE STATE OF TEXAS, COUNTY OF _____

WHEREAS, persons performing oil and gas operations within the jurisdiction of the Railroad Commission of Texas are required to execute and file with the Commission a bond covering those operations, pursuant to §§91.102 and §91.106 of the Texas Natural Resources Code;

WHEREAS, the Principal named below is the operator of certain Commission-regulated operations including but not limited to (1) operations listed on the Commission's P-5 Organization Report records, and/or (2) well(s) listed on the Commission's Oil and Gas Production Schedule, and any additional wells that may be obtained prior to the expiration of this bond and carried on the Oil and Gas Production Schedule;

WHEREAS, the Commission's P-5 Organization Report records and the Oil and Gas Production Schedule pertaining to the Principal are incorporated herein by reference as if fully set forth at length;

WHEREAS, the Principal desires to perform oil and gas operations and activities within the jurisdiction of the Commission, and which operations and activities must be carried on in full conformance with all state laws and Commission rules, including those laws and Commission rules, orders, and permits requiring operators to plug and abandon all wells and control, abate, and clean up pollution associated with an operator's oil and gas operations and activities;

WHEREAS, Principal acknowledges and agrees that, due to amendments to the Texas Natural Resources Code, amendments to Commission Rules, and/or changes to the Principal's Commission-regulated operations, including without limitation the acquisition of additional wells, it may be required during the effective term of this bond to provide additional financial security beyond the face amount of this bond before its P-5 Organization Report will be accepted and approved;

1. Operation Name, exactly as shown on P-5 Organization Report	2. P-5 Number (if required)	3. Name of all operators' wells
4. Other Commission-regulated operations: Are there locations other than those listed in (1) that operations are being conducted? (If yes, list them in (4))	5. Other operations not included in (1)(2)	6. Effective Date of 24 Month Renewal Bond is being submitted (same Month & Day as the Well Bond Expiry)

We, _____ (Person's name) as Principal, and _____ as Surety, duly authorized and qualified to do business in the State of Texas, are held and firmly bound unto the State of Texas in the sum of _____ Dollars (\$ _____) payable at Austin, Travis County, Texas, and for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

This bond is conditioned that if the Principal will plug and abandon all wells and control, abate, and clean up pollution associated with its oil and gas operations and activities in accordance with state law and all permits, rules and orders of the Commission, and is in full compliance with the following requirements, then the Principal and Surety are relieved of their obligation to pay the bond amount to the State:

- Inactive wells shall be maintained in compliance with Commission Statewide Rule 14 (a) by plugging the wells, (b) by restoring the wells to beneficial use, or (c) so as to prevent the pollution of any ground or surface water in the state or any uncontrolled escape of formation fluids from the strata in which they were originally located.
- All active wells shall be maintained so as to prevent the pollution of any ground or surface water in the state or any uncontrolled escape of formation fluids from the strata in which they were originally located.
- All oil and gas operations and activities shall be carried out so as to prevent pollution of any ground or surface water in the state.

In the event of a failure of Principal to comply with the conditions and obligations of this bond, the Surety shall promptly remedy such non-compliance, in accordance with the laws of the state and permits, rules, and orders of the Commission, within 60 days of notice of non-compliance.

- If any well or other oil and gas operation or activity subject to this bond is likely to pollute or is polluting any ground or surface water or allowing uncontrolled escape of formation fluids from the strata in which they were originally located, the Surety shall expend funds up to the face amount of the bond to control, abate and clean up pollution and to prevent further escape of formation fluids.
- If any well or other oil and gas operation or activity subject to this bond is not polluting any ground or surface water or allowing uncontrolled escape of formation fluids from the strata in which they were originally located, but the Principal has failed to maintain current operator status as reflected on the Commission's P-5 Organization Report records, the Surety shall:
 - Expend funds up to the face amount of the bond to properly plug the well or close any other operation or activity (Surety understands and agrees that plugging or closing operations must be completed once commenced without the expenditure of State Funds, including State Oil-Field Cleanup Funds); or
 - Pay liquidated damages. It is agreed by the parties that the actual damages which might be sustained by the Railroad Commission of Texas by reason of the failure to comply are uncertain and would be difficult of ascertainment and it is further agreed that the sum of \$2.50 per foot multiplied by the total depth of each non-compliant well, up to the face amount of the bond, would be reasonable and just compensation for such failure to comply, and Surety hereby promises to pay and the Railroad Commission of Texas agrees to accept, at its office in Austin, Travis County, Texas such sum as liquidated damages, and not as a penalty, in the event of such failure to comply.

(over)

(Back page of P-5PB1 and P-5PB2)



Date MUST be
affixed by principal.

all state laws, including §91.107, Texas Natural Resources Code and Commission rules.

IN TESTIMONY WHEREOF, said PRINCIPAL has hereunto subscribed his or her name or has caused this instrument to be signed by its duly authorized officers and its corporate seal to be affixed this _____ day of _____ 20_____.

IN TESTIMONY WHEREOF, said SURETY has caused this instrument to be signed by its duly authorized officers and its corporate seal to be affixed this _____ day of _____ 20_____.

PRINCIPAL

(seal)

By _____
NAME & TITLE

SURETY (ATTACH POWER OF ATTORNEY)

(seal)

By _____
NAME & TITLE

SURETY'S FULL MAILING ADDRESS

Cash Deposits



- Can be filed under either Financial Security Option 1 or Option 2
- Funds are to be submitted in via Cashier's Check
- Cash deposits are automatically renewed once the operator provides their P-5 renewal packet and filing fee – No renewal form required.
- There is no fee to renew your cash deposit annually

Filing Fee and Surcharges



- **Filing fee required for annual P-5 renewals and new P-5 filings**
- **Statewide Rule 78 amended to impose a surcharge of 150% to filing fees**
- **Notification to industry sent out February 2012**
- **Effective May 1, 2012**



Filing Fee and Surcharges

- **Annual fee to accompany initial filing and annual renewals of P-5 Organization Report.**
- **Required of all operators, regardless of and in addition to any financial assurance requirement.**
- **Amount ranges from \$225.00 to \$1,350.00, based upon the activities of the organization reflected on their P-5 record.**
- **If you are a well operator and conduct other service activities, your filing fee will cap out at \$1,125.00.**
- **Once you have determined your filing fee, you would then add the 150% surcharge to calculate your total filing fee.**



P-5 Filing Fee

Amount based on the following four components:

1. Number of wells operated

1 – 25 wells	\$300.00
---------------------	-----------------

26 – 100 wells	\$500.00
-----------------------	-----------------

101 wells or more	\$1,000.00
--------------------------	-------------------

2. Natural Gas Pipelines/Master Meter Operator:	\$225.00
--------------------------------------------------------	-----------------

3. Pipelines other than Natural Gas (one or more):	\$625.00
-----------------------------------------------------------	-----------------

4. Facilities and/or Service Activities:	\$500.00
-------------------------------------------------	-----------------

(One single fee regardless of quantity or variety)

Facilities & Service Activities



Oil & Gas Regulated activities other than pipelines or wells.

\$300.00 if the activities include only:

- **Pollution Cleanup Contractor,** (CLENUP)
- **Directional Surveyor,** (DIRSUR)
- **Approved Cementer for plugging wells, and/or** (PLUGGR)
- **Moving/Storing Crude or Condensate.** (TRANSP)
- **Approved Cementer for Well Plugging** (CEMNTR)

\$500.00 if the operator has any other Commission-regulated facilities or service activities, including (but not limited to):

- **Commercial Facility,** (COMFAC)
- **Gas Plant,** (GASPLT)
- **Reclamation Plant,** (RECLPL)
- **Refinery,** (REFINE)
- **Saltwater Disposal P18 authority, and/or** (SWDP18)
- **Waste Hauler authority.** (WHAUL)
- **Service Comp. for Well Stimulation/Hydr. Fracturing Activities** (WLSTIM)

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

NOTICE TO OPERATORS

Surcharges on Railroad Commission Fees

The Railroad Commission has adopted changes to Statewide Rule 78 as it applies to certain fees charged by the commission's Oil & Gas Division. Under Rule 78 as amended, surcharges have been imposed on certain fees as required to implement the provisions of Senate Bill 1 (82nd Legislature, First Called Session, 2011). The amendments to Rule 78 are effective as of May 1, 2012.

Senate Bill 1 created the Oil and Gas Regulation and Cleanup Fund and mandated that the commission impose reasonable surcharges on commission fees. The funds collected through these surcharges will cover the commission's costs in certain functional areas specified in the bill, including oil and gas monitoring and inspections, oil and gas remediation, oil and gas well plugging, public information and services related to those activities, and administrative costs and state benefits for personnel involved in those activities.

During the rulemaking process, the Commission identified the fees on which surcharges would be imposed based on the statutory requirements. Comparing the revenue generated by those fees with the costs associated with the functional areas specified in the statute, the Commission determined that a surcharge of 150% of the respective fees would be needed.

In implementing this statute, the Commission is imposing surcharges on fees associated with the filing of:

Drilling Permits
Organization Reports
Voluntary Cleanup Program Applications
Inactive Wells (plugging extensions)
Rule Exception requests
Reconnection fees following cancellation of P-4 Certificates of Compliance
Waste Disposal Facilities and Waste Hauler Permits (excluding disposal wells permitted under Rule 9)
Surface Discharge permits
Injection well permits
Hydrocarbon Storage permits

(See Table 1 – Listing of Affected Fees on the reverse side of this notice for more detailed information regarding the affected fees.)

Austin, Texas

February 2012

PLEASE FORWARD TO THE APPROPRIATE SECTION OF YOUR COMPANY

Surcharge on Commission Fees
Notice to Industry – February 2012
Page 2

	Fee	Surcharge (150%)	Total Assessment
Oil & Gas Well Drilling Permit Fees			
Drilling permits less than 2,000 feet	\$ 200.00	\$ 300.00	\$ 500.00
Drilling permits 2,001 to 4,000 feet	225.00	337.50	562.50
Drilling permits 4,001 to 9,000 feet	250.00	375.00	625.00
Drilling permits greater than 9,000 feet	300.00	450.00	750.00
Expedite fee	150.00	225.00	375.00
Rule 37/38 exception fee	200.00	300.00	500.00
P-5 Organization Report Fees			
No activities	300.00	450.00	750.00
Operation of Wells			
1 – 25 wells	300.00	450.00	750.00
26 – 100 wells	500.00	750.00	1,250.00
more than 100 wells	1,000.00	1,500.00	2,500.00
Operation of natural gas pipeline(s)	225.00	337.50	562.50
Operation of liquids pipeline(s)	625.00	937.50	1,562.50
Service/Facility Operations			
Cleanup contractor, Directional Surveyor, Cementer and/or Transporter	300.00	450.00	750.00
Other Services/Facilities not listed above	500.00	750.00	1,250.00
Voluntary Cleanup Application Fee	\$ 1,000.00	\$ 1,500.00	\$ 2,500.00
Inactive Well Filing Fees (Form W-3X)			
Abeyance of plugging report	100.00	150.00	250.00
Well test report filing fee	50.00	75.00	125.00
Rule Exception Fees	150.00	225.00	375.00
Certificate of Compliance (P-4) Reissue Fee	300.00	450.00	750.00
Waste Disposal Facility			
Waste hauler's permit	100.00	150.00	250.00
Large Quantity Generator of hazardous oil & gas waste			
base fee	1,000.00	1,500.00	2,500.00
additional fee	1,000.00	1,500.00	2,500.00
Small Quantity Generator of hazardous oil & gas waste			
base fee	200.00	300.00	500.00
additional fee	200.00	300.00	500.00
Surface Discharge fee	300.00	450.00	750.00
Fluid injection well permit	200.00	300.00	500.00
Hydrocarbon storage permits	200.00	300.00	500.00

Table 1 – Listing of affected fees



Auto P-4 Changes

Types of Auto P-4s:

- Name change P-5 (Example: When the company is electing to change their name – Not a merger or acquisition)
- Large acquisitions of property (Example: When an operator has acquired large fields or district – 25 leases or more)
- Same operator change (Example: When an operator changes their gatherer or purchaser for same (own) operator)



Auto P-4 Changes

Auto P-4 Letter Requirements:

- Operator must submit a letter requesting the Auto P-4 process to transfer all property/activities (**Excludes:** pipeline, gas plant, salt water hauler, transporter, and drilling permits)
- Letter must designate a contact person along with a telephone, e-mail, and mailing address in which the Auto P-4 approval/correspondence will be sent.
- Letter can be signed by company authorized individual. For a name change or acquisition, the letter must be signed by an officer on the existing P-5 and an officer of the new company.



Auto P-4 Changes

Financial Security Requirements for Auto P-4's:

- If the operator is utilizing the same financial security on file for the existing company (**Example:** bond or cash deposit), all inactive well requirements, drilling permits, and specialty codes will need to be addressed.
- If the operator is submitting in a new form of financial security to cover the new company, drilling permits and specialty codes that require financial security can be cleared up after the Auto P-4 process. (Note: the Commission will not release the original form of financial security until all matters are resolved)

Questions? Contact Mysti Doshier (512) 463-6743

Helpful Links



Railroad Commission Website:

<http://www.rrc.texas.gov>

Expanded Website Access (EWA) – P5 Query (Data Updated Nightly):

<http://webapps2.rrc.texas.gov/EWA/organizationQueryAction.do>

P-5 Renewal Status Query (Data Updated Nightly):

<http://webapps2.rrc.texas.gov/EWA/inactiveWellStatusQueryAction.do>

HB2259/HB3134 Information (Inactive Well requirements):

<http://www.rrc.texas.gov/oil-gas/compliance-enforcement/hb2259hb3134-inactive-well-requirements/>

SAD Form Contact Information:

RROnline-Security@rrc.texas.gov by email or call our Help Desk at (512) 463-7229

Lost UserID and Password Help:

<https://webapps.rrc.texas.gov/security/loginHelpAction.do?method=Initialize>

Oil & Gas Fee Payments and Surcharges Information:

<http://www.rrc.texas.gov/oil-gas/applications-and-permits/fees-surcharges/>

Contact Information



For any questions the P-5 Unit can be contacted by phone or email.

P-5 Main Line (512) 463-6772

P5@rrc.texas.gov